

**SENATE BILL**

**No. 356**

---

**Introduced by Senator Yee**

February 20, 2013

---

An act to amend Section 19858 of the Business and Professions Code, relating to gaming.

LEGISLATIVE COUNSEL'S DIGEST

SB 356, as amended, Yee. Gambling establishments: owner licensing.

Under existing law, a person is deemed unsuitable to hold a state gambling license to own a gambling establishment if the person, or any partner, officer, director, or shareholder of the person, has any financial interest in any business or organization that is engaged in a prohibited form of gambling, whether within or without this state, except as specified.

This bill would except from the application of this provision a person or entity that has been licensed in good standing as an owner of a gambling establishment for at least 5 years as of January 1, 2013, and that has ~~obtained~~ *notified the California Gambling Control Commission and the Department of Justice, and been approved by the commission to obtain* a financial interest in a ~~gambling operation that is conducted only outside of the United States~~ *business or organization that conducts lawful gambling outside the United States that, if conducted within California, would be unlawful*.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 19858 of the Business and Professions Code is amended to read:

19858. (a) Except as provided in subdivisions (b) and (c), a person is deemed unsuitable to hold a state gambling license to own a gambling establishment if the person, or any partner, officer, director, or shareholder of the person, has any financial interest in any business or organization that is engaged in any form of gambling prohibited by Section 330 of the Penal Code, whether within or without this state.

(b) Subdivision (a) does not apply to a publicly traded racing association, a qualified racing association, or any person who is licensed pursuant to subdivision (b) or (c) of Section 19852.

(c) Subdivision (a) does not apply to a person or entity that meets both of the following:

(1) Holds a license in good standing as an owner of a gambling establishment pursuant to this chapter for at least five years as of January 1, 2013.

(2) ~~Has obtained a financial interest in a gambling operation that is conducted only outside of the United States.~~ *notified the commission and the department and received commission approval to obtain a financial interest in another business or organization that conducts lawful gambling outside the United States that, if conducted within California, would be unlawful.*